GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MA&UD Department- Exemption of Urban Local Bodies from following EPC mode for all the contracts of Maintenance of Sanitation and Solid Waste Management implemented as per G.O.Ms.No.279 guidelines, with the estimated value upto Rs.10 Crore and above; and raising the Tender premium from 5 % to 10 % in respect of sanitation works as per G.O.Ms.No.279, Dt.31-12-2015 - Approved - Orders -Issued.

MUNICIPAL ADMINISTRATION AND URBAN DEVELOPMENT (B2) DEPARTMENT

G.O.MS.No. 55 Dated: 06-02-2017

Read the Following:

1. G.O.Ms No.279, MA&UD (B) Dept., Dt.31.12.2015.
2. From the DMA, A.P., Guntur, Lr.No.11137/2016/M3, Dt.08.12.2016.
3. From the DMA, A.P., Guntur, Lr.No.11137/2016/M3, Dt.08.12.2016.

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ORDER:

The Director of Municipal Administration, A.P. in his letter 2nd read above, has stated that in order to provide improved levels of service delivery in the maintenance of sanitation and solid Waste Management Services in all the Urban Local Bodies in a standardized and systematic manner, Government have issue detailed operational guidelines vide G.O.Ms.No.279, dated 31.12.2015.

2. The Director of Municipal Administration, A.P. has submitted proposals for exempting ULBs from following EPC mode in respect of all contracts of Maintenance of Sanitation and Solid Waste Management implemented as per guidelines issued in G.O.Ms.No.279, MA&UD Department, dated 31.12.2015 with the estimated value upto Rs.10.00 Crore and above and also to increasing of Tender Premium from 5% to 10% in respect of Sanitation Works undertaken as per G.O.Ms.No.279, dated 31.12.2015.

3. The Director of Municipal Administration, A.P. has also stated that, since the project is being reviewed by the GoAP, the outsourcing of work is required to be implemented on priority basis without time delays. The approach adopted for designing the project and the terms and conditions stipulated for the contractor meets the spirit and principles of EPC mode of tendering the contracts. Further, the project under consideration does not involve any material or asset transfer as it is in the purview of civil contracts. The DMA has stated that, it is necessary to exempt the ULBs from following EPC mode for contracts of maintenance of Sanitation and Solid Waste Management being implemented as per guidelines

issued in G.O.Ms.No.279, MA&UD Dated 31.12.2015, with estimated value upto Rs. 10.00 Crores and above.

4. In respect of increase of Tender Premium from 5% to 10% relating to Sanitation Works undertaken as per G.O.Ms.No.279, dated 31.12.2015, the DMA has stated that, though estimations were made following due procedures, the unit cost prices were fixed as obtained in the lowest price quotation. The work packages are initially planned to be outsourced for three years with a likely extension of another two years based on the performance results delivered by the Contracted Operator. The estimates are prepared on the basis of the current prices. As the tenders will be invited on lump sum cost basis for the total project of three years duration, no provision was made in the estimates for accommodating any increase in the costs of materials or fuel. Further, no provisions are made in the estimates allowing contractor to claim any increase in the payments for handling increased volumes of waste that is likely to increase as a result of growing urbanization. Considering the factors that the project cost estimates were made in a prudent manner and the sanitation and solid waste management is a priority focus area of the Government on work outsourcing the sanitation and solid waste management activities, there is a need to consider increasing of tender premium from 5 % to 10% on the estimates. Such increase will attract large organized agencies to take part in the bids and undertake the services, and consequently, the prime object of the Government to create neat, healthy and clean environment in the towns of the State, will be achieved.

5. The Director of Municipal Administration, A.P. has further stated that in order to expedite the works under UIDSSMT and JnNURM Government in GO.Ms.No.527, MA & UD Dept., Dt:25-07-2007, have enhanced the tender premium from 5% to 10% in respect of underground drainage works. He has also informed that in G.O. Rt. No. 1228, MA&UD Department Dated.28.08.2008, the Government permitted Vijayawada and Visakhapatnam Municipal Corporations to enhance the tender premium up to 10% for the Storm Water Drain Works under JnNURM on par with Under Ground Drainage Works.

6. The Director of Municipal Administration, A.P. has requested the Government to issue necessary orders on the above two proposals.

7. Government after careful examination of the matter have accepted the proposals of the Director of Municipal Administration and accordingly issue the following orders:

1. The ULBs are exempted from following the EPC mode for all contracts of maintenance of sanitation and solid waste management as per G.O.Ms.No.279, MA&UD Department, dated

31.12.2015, with an estimated value upto Rs.10.00 Crores and above; and

2. The ceiling of Tender premium is increased from 5% to 10% in respect of Sanitation works undertaken as per G.O.Ms.No.279, MA&UD Department, dated 31.12.2015.

8. The Director of Municipal Administration, A.P. Guntur, shall take necessary further action in the matter, accordingly.

9. This order issues with the concurrence of the Finance Department vide their U.O.No.44027/366/2016 dated 06-02-2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R. KARIKAL VALAVEN,
PRINCIPAL SECRETARY TO GOVERNMENT.

To
The Director of Municipal Administration, A.P. Guntur.
All the Commissioners of the ULBs through DMA
The Managing Director,
Swachha Andhra Corporation, A.P. Vijayawada.

Copy to:

The ENC(PH), A.P. Tadepalli, Guntur District.
The Finance Department
The GA (Cabinet) Department.
The PS to Prl.Secretary to Hon'ble CM.
The OSD to Hon'ble M(MA&UD)
The PS to Prl.Secretary to CS.
The PS to Prl. Secretary to Govt., MA&UD Dept.
Sf/Sc.

// FORWARDED:: BY ORDER //

SECTION OFFICER.